

# GENERAL SERVICES DIVISION

## UPDATE UPDATE



The quarterly newsletter of the General Services Division  
Montana Department of Administration • Website address: <http://gsd.mt.gov/>

Spring 2006

### PROCUREMENT NEWS AND NOTES

#### Office Supplies—Ordering Online

State, local, and tribal government employees are now able to order common office products and supplies through the Corporate Express online ordering system.

The contract, signed in February, makes available nearly 15,000 products (including approximately 400 products stocked by Central Stores) via a robust, user-friendly website. Special features include the ability to create "shopping lists" of frequently purchased items and the ability to search for companion products (e.g., the correct type of staples for your stapler). In addition, environment-friendly "green" products are distinctly identified in the online catalog.

The products Central Stores purchases from other vendors, such as paper, food service, and janitorial items, are available through this online ordering system. These products all start with Z49MT followed by the eight-digit number used in the past, minus the dash. For example, 8½" x 11" copy paper is listed as Z49MT77060050. Global shopping lists by category have been created for these products.

Prices under this contract average 57% less than retail. Products are delivered by Central Stores—next day in Helena and two to three days to outlying agencies. Central Stores earns a rebate from Corporate Express based on volume. This rebate will allow Central Stores to reduce prices based on increase in volume.

The system has an optional approval process. Orders can be submitted by "users", but will be held until the designated "approver" reviews and releases the order. The online site is being integrated with Central Stores' existing billing and inventory system as well as with DPHHS's PERQs (contract management) system.

Training on the system was provided to over 600 state and local government employees, including University employees, throughout the state. Response to the new system has been very positive.

If you are not currently set up to order online and would like to be, please email us at [centralstores@mt.gov](mailto:centralstores@mt.gov) or call Central Stores at 495-6000, and we will email you a sign-up form.

#### Electronic Auctioning Update

The State Surplus Property program has begun selling surplus property using the online auction service Public Surplus®. Although still in a pilot stage, state surplus property including used vehicles, riding mowers, office equipment, and heavy equipment will be listed on this online site. Items will continuously be added to the auction site as they become available.

To use this online auction site, interested citizens can access the site at <http://www.publicsurplus.com/>, register as a user, then browse the Montana region to select items under the "State of Montana Property and Supply Bureau." Buyers are responsible for pickup or shipping of all purchased items.

Monthly garage sales of state surplus property are still held in Helena on the second Friday of every month. In addition, a live auction of surplus property is planned for the fall of 2006. For more information about the online auction process or garage sales, contact the State Property and Supply office at 495-6017.

#### Fall Procurement Training Schedule

- |   |              |
|---|--------------|
| <input checked="" type="checkbox"/> Basic Purchasing                          | September 21 |
| <input checked="" type="checkbox"/> Advanced Purchasing                       | October 5    |
| <input checked="" type="checkbox"/> Initiating and Navigating the RFP Process | October 19   |

## Changing Faces at SPB

Numerous staff changes have taken place in the State Procurement Bureau since the publication of the last Update. After 12 years of dedicated service in the Bureau, Sheryl Olson was promoted to Deputy Director of the Department of Administration. Her promotion, effective March 1, was announced by Department Director Janet Kelly late in February, along with high praise for Sheryl's "wide array of skills and abilities" and her "high quality work performance."

Brad Sanders has stepped into the role of Bureau Chief. While he will continue to serve as a contracts officer for a reduced number of projects, Brad will primarily be occupied with oversight of the Bureau.

In January, Deanne Moore came on board as a part-time Contracts Assistant and our afternoon receptionist. Deanne worked 32 years as a compliance specialist with Montana's Consumer Protection Office before retiring in November 2005.

Another change in the Bureau staffing is the promotion of Bonny Belling. With more than 15 years in the Bureau, she brings her experience and skills to the varied aspects of contracts officer/administrative officer.

Floyd Willis is the newest face in SPB, joining the Bureau in the position of contracts officer in April. Floyd has 20+ years of procurement/contracting experience and adds a great deal of knowledge to the Bureau. He has taken over most of Brad's commodity and service areas.

### Fueling Program Contract

As announced at the last PUG meeting, we have a new contract for the fueling program. The goal is to have all cards issued and be operational by the end of June. We will be working with each account individually to ensure all information is correct prior to implementation. To prevent fraud and assist the audit trail, we are asking all accounts administrators to review the driver PIN numbers to ensure they are unique and not shared with multiple users.

Watch for a new website and training in the near future. For answers to your questions, contact Devin Garrity at 444-3366 or [dgarrity@mt.gov](mailto:dgarrity@mt.gov).

## PRINT AND MAIL SERVICES NEWS AND NOTES



### Getting It Mailed

*Just a reminder:* When you are preparing mail to be picked up by Mail Services, it is very advantageous to separate the "deadhead" mail from the USPS mail. It is less expensive to send letters and documents as deadhead mail than it is to mail them through the post office when it involves sending to another state agency in Helena.

Permit mail rates are lower than metered mail rates and can save significantly on postage as long as certain procedures are followed in the mail preparation. Permit mail rates are classified as First Class Mail or Standard Rate Mail. There isn't a "bulk" mail rate for permit mailings anymore. The USPS has notified Mail Services that it will no longer accept permit mail that does not have the correct indicia for permit mailing printed on the mail piece. Below are the correct indicia to use when sending permit mail through Mail Services. If you are confused as to which to use or would like price quotes for permit mailings based on using first class as opposed to standard rates, please call Jim Ahern at 444-1833.

PRESORTED  
FIRST-CLASS MAIL  
U.S. POSTAGE PAID  
HELENA, MT  
PERMIT NO. 89

PRSRT STD  
U.S. POSTAGE PAID  
HELENA, MT  
PERMIT NO. 89



### Getting It Printed

**State Agency Publications.** Section 22-1-213, MCA, requires state agencies to deposit at least four copies of each state publication for record and depository purposes with the State Publications Center at the Montana State Library. For information regarding the publications depository library program, please contact Jim Kammerer at 444-5432. Jim has suggested that agencies, when designing publications, maintain consistency for the public by printing the publication's date on the cover so that it is clear which publication is the latest version of the document.

**Planning for Printing.** Requisitions for printing projects that are slated for fiscal year 2006 funding should be received by Print Services the week of June 5th. However, we are able to work with any emergency situations as they arise. If you have projects that you are not positive you will be ordering, we can still give you estimates to assist in accruing the funding. Contact Chris Gabriel at 444-3139.

## On the Legal Front

Since publication of the last newsletter, substantial and positive progress has been made on the pending procurement protests. First, and most importantly, the Supreme Court found in the State's favor in the Reier Broadcasting Company (RBC) v. MSU case from 2002. This case involved MSU's decision to find the company nonresponsive in their response to a Request for Proposal for MSU broadcast rights. This was a very significant case because it was the first protest under section 18-4-242, MCA, to be appealed for judicial review after the Montana Administrative Procedure Act contested case hearing process. This was RBC's second loss at the Supreme Court level regarding this dispute.

A second case was also dismissed by the hearings officer after the protestor failed to obtain legal counsel to pursue their request for a contested case hearing. This protest involved the award of a bid for playground equipment for the Department of Fish, Wildlife, and Parks.

A third protest was resolved when the parties agreed to a settlement before the completion of the contested case hearing process. This case involved the award of a contract for a liquor store in Red Lodge.

The only procurement case left unresolved is the Spiker Communications, Inc. v. Department of Commerce. This case, originally filed in 1995, involves an allegation that the contents of an RFP were shared with another vendor by a state employee. A new trial date has been set for February 2007.

For more information on any of these cases, contact Sheryl Olson at 444-3307.

### Administrative Rules

Do you ever find yourself thinking, "Why is this required by rule?" Or "Why isn't there a rule about that?"

We'd like your input. If you have suggestions for rule revisions or new rules, please forward them to Gretchen Bingman at [gbingman@mt.gov](mailto:gbingman@mt.gov) and we will consider any changes for the next rulemaking process the Bureau undertakes. In the meantime, the State Procurement rules, as well as a link to the Montana Procurement Act, can be found at <http://gsd.mt.gov/procurement/procurementlawrulespolicies.asp>.

## QUESTION OF THE QUARTER

*When a municipality seeks to purchase a service or an item of personal property, and the cost of the service or property exceeds \$50,000, may the municipality participate in a cooperative purchasing agreement with the Montana Department of Administration without first seeking its own competitive bids under the procedures established in 7-5-4302, MCA?*

In response to a request from Missoula City Attorney Jim Nugent, Montana Attorney General Mike McGrath released a formal opinion in March holding that a municipality—a city or a town—may choose to participate in a cooperative purchasing agreement with the State without first going through its own competitive bidding process.

The opinion, available online at <http://www.doj.mt.gov/resources/opinions2006/51-015.pdf>, clarifies the relationship between two statutes relating to purchasing by municipalities. One, 7-5-4302, MCA, passed in 1907, describes a procedure for municipalities to purchase some goods and services. The 1907 statute requires municipalities to advertise for bids and award the contract to the lowest responsible bidder. The statute now only applies to the purchase of goods or services with a value over \$50,000.

Part 4, Cooperative Purchasing, of the Montana Procurement Act, passed in 1983, provides for cooperative purchasing between local procurement units—including cities and towns—and the State. It makes no mention of the 1907 statute and does not require the municipalities to go through the bidding process outlined in it.

The opinion notes that when the Legislature established the new cooperative purchasing process it did not repeal the existing statute, and it did not require a municipality to go through the first set of bidding steps before proceeding to the second process.

"These facts establish a legislative intent to leave in place two independent, alternative procedures for the purchase of goods and services by municipalities," McGrath held.



Opinions of the Attorney General carry the weight of law unless a court overturns them or the Legislature modifies the laws involved.



## WSCA Computer Contracts Revisions

After IBM sold part of their PC division to Lenovo in 2005, the Western States Contracting Alliance (WSCA) signed a new Master Price Agreement (MPA) with Lenovo to purchase ThinkPad notebooks, ThinkCentre desktops, and ThinkVision monitors. These same product lines were deleted from the IBM MPA and the Montana PA was modified accordingly. As with the other WSCA computer agreements, the new Lenovo MPA can be accessed through <http://www.mmd.admin.state.mn.us/wsc/wsc.htm>.

Effective in January, the MPAs were amended to increase the individual unit cost limits on Bands 1 - Servers, 2 - Desktops, and 4 - Auxiliary Storage from \$50,000 to \$100,000, allowing the State to utilize the WSCA contracts for the purchase of individual units up to \$100,000 in these categories. The Montana PAs affected were modified to match the increase.

The MPA with Hewlett Packard was amended on March 1 to add educational packages. The amended MPAs, detailing the added packages, are available on the WSCA website <http://www.aboutwsca.org>.

ITSD has approved adding printers (Band 3) to the HP and Dell participating addenda. A new participating addendum with Lexmark International became effective May 1, 2006. The exclusive term contract for laser printer purchase with Corporate Technology Group expired April 30.

For more information on purchasing through WSCA, contact Bob Oliver at 444-0110 or [roliver@mt.gov](mailto:roliver@mt.gov).

### Template Revisions

Agency staff may want to consider using an informal "Request for Information" to obtain preliminary information about a market or the type of supplies or services available when they don't have enough information to write an adequate specification or work statement. A new template for an RFI is provided on the GSD website.

In addition to the new RFI template, revisions to the Invitation for Bid template have been completed. These templates are available on the GSD website. Look for updates to the RFP templates in July.

### THINK ABOUT IT

**Be master of your petty annoyances and conserve your energies for the big, worthwhile things. It isn't the mountain ahead that wears you out—it's the grain of sand in your shoe.** *Robert Service*

### More on Term Contracts

The WSCA contract for industrial supplies and lighting, bid by Nevada, was awarded to Grainger Industrial Supplies. Janitorial supplies, available from Central Stores, are not part of this nonexclusive contract.

An exclusive contract for purchasing photocopiers is now in place with three manufacturers: Toshiba, Ricoh, and Canon. Twenty-one machines are available—three machines from each company in seven levels based on number of copies per minute. Cost comparisons of all the copiers are available on our website. This term contract is for purchases only and does not include options for leasing or lease-to-purchase.

The contract for ergonomic seating and systems furniture will be in place soon. SPB is seeking four volunteers to serve on the evaluation committee for the new seating contract. Committee volunteers have already been selected for the new systems furniture contract. Many thanks for volunteering your effort and time.

For questions on any of these term contracts, contact Rhonda Grandy at 444-3320 or [rhgrandy@mt.gov](mailto:rhgrandy@mt.gov). Visit the GSD website for recent term contract activity affecting aerial products and supplies, agricultural chemicals, car rental, duplicating supplies, library bindery, microfilm equipment and supplies, and photographic supplies.

**New Look, New Web Address!** The SPB has completed the MT.gov transition on our website. Along with the new look, comes a new web address: <http://gsd.mt.gov/>. It is the goal of the bureau to provide a website that provides up-to-date procurement information for both state agencies and vendors. If you have any questions or suggestions for improving our web site, contact Bonny Belling, [bbelling@mt.gov](mailto:bbelling@mt.gov).

### ABOUT THIS NEWSLETTER

"GSD Update" is published quarterly by the General Services Division of the Montana Department of Administration. For more information, to have your name added to the mailing list, *or if you prefer to receive your newsletter via email*, contact us at (406) 444-2575. Our address is: PO Box 200135, Helena, MT 59620-0135; Fax (406) 444-2529; Web address: <http://gsd.mt.gov/>.

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